



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

March 24, 2014

MEMORANDUM

To: Representative Mason

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2013 AB 867** (LRB-4152/1) **by DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

March 17, 2014

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Bob Schmidt
Department of Revenue

SUBJECT: Technical memorandum on AB 867 - relating to prohibiting the inclusion of Racine County in the jurisdiction of a local professional baseball park district.

The department has the following concerns with the bill:

The Streamlined Sales and Use Tax Agreement (SSUTA) requires member states to provide at least 120 days' notice to sellers for local tax rate changes. If Wisconsin does not conform to the SSUTA and consequently loses its membership, out-of-state retailers that voluntarily registered through Streamlined would no longer be obligated to collect Wisconsin sales and use tax.

Section 2 of the bill could be interpreted to no longer require retailers in Racine County to collect the baseball district tax for sales that occur in another county within the baseball district.

The department recommends modifying Section 2 of the bill to provide a minimum 120 days' notice prior to a sales tax rate change in Racine County and to clarify that a retailer in Racine County would still be required to collect the baseball district sales tax for sales made into other counties within the baseball district. These changes can be accomplished with the suggested language below:

"Retailers and the department of revenue may not collect a tax under s. 77.705 for the sale of, or the storage, use, or other consumption of tangible personal property, items, property, or goods under sec. 77.52 (1) (b), (c), or (d)., or taxable services sourced to or occurring in Racine County after the last day of the calendar quarter that is at least 120 days from the day specified under sec. 229.67 (2), except that..."

If you have questions regarding this technical memorandum, please contact Robert Schmidt at 608-266-5773 or robertk1.schmidt@dor.wi.gov

cc: Representative Mason